Supreme Court, U. S.
FILED
JUL 26 1974
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-1279

THE WILLIAMS & WILKINS COMPANY,

Petitioner,

—against—

THE UNITED STATES,

Respondent.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF CLAIMS

PETITIONER'S BRIEF

ALAN LATMAN
Attorney for Petitioner
200 East 42nd Street
New York, New York 10017

ARTHUR J. GREENBAUM
MARTIN F. RICHMAN
CAROL FAYE SIMKIN
COWAN, LIEBOWITZ & LATMAN, P. C.,
Of Counsel.

INDEX

	Page
TABLE OF AUTHORITIES	ii
OPINIONS BELOW	1
JURISDICTION	2
QUESTION PRESENTED	2
CONSTITUTIONAL PROVISION AND STATUTES INVOLVED	2
STATEMENT OF THE CASE	4
1. Introduction	4
2. Petitioner and Its Journals	5
3. The Government's Operations	7
SUMMARY OF ARGUMENT	10
ARGUMENT	12
INTRODUCTION	12
I. The Constitutional and Statutory Policies Underlying Copyright Require Reasonable Compensation to Petitioner	14
II. The Government Has Not Established That Its Massive System of Reproduction Should Be Excused By the Defense of Fair Use	19
III. The Reasonable Compensation Mandate of the Jurisdictional Statute is the Appropriate Means of Resolving Competing Interests	27
IV. Nothing in the Majority Opinion Below Justified Denying Compensation to Petitioner Under the Defense of Fair Use	31
A. The Majority's Three "Core" Propositions	31
1. Harm to Petitioner	31

Page

2. Effect on Medical Research 35
3. Only a "Holding Operation" 37
B. The Majority's Other "Factors" 39
C. The Majority's "Solid Doubt" That "Copy" Means "Copy" 45
CONCLUSION 49

TABLE OF AUTHORITIES

CASES:

American Visuals Corp. v. *Holland*, 239 F.2d 740 (2d Cir. 1956) 48
Associated Music Publishers, Inc. v. *Debs Memorial Radio Fund*, 141 F.2d 852 (2d Cir. 1944) 40
Benny v. *Loew's Inc.*, 239 F.2d 532 (9th Cir. 1956), aff'd by an equally divided Court, 356 U.S. 43 (1958) 23
Blumcraft of Pittsburgh v. *Newman Bros., Inc.*, 337 F. Supp. 859 (S.D. Ohio 1971) 33
Bonnar v. *United States*, 438 F.2d 540 (Ct. Cl. 1971) 32
Chappell & Co., Ltd. v. *Columbia Graphophone Co.*, [1914] 2 Chancery Div. 745 40
Chappell & Co. v. *Middletown Farmers Market*, 334 F.2d 303 (3rd Cir. 1964) 40
Douglas v. *Cunningham*, 294 U.S. 207 (1935) 40
Dun v. *Lumbermen's Credit Association*, 209 U.S. 20 (1908) 30
Edgar H. Wood Associates, Inc. v. *Skene*, 347 Mass. 351, 197 N.E. 2d 886 (1964) 30
Edison v. *Lubin*, 122 Fed. 240 (3d Cir. 1903) 48
Folsom v. *Marsh*, 9 Fed. Cas. 342 (No. 4901) (C.C.D. Mass. 1841) 20, 21, 22
Fortnightly Corp. v. *United Artists Television*, 392 U.S. 390 (1968) 46
Foster v. *American Machine & Foundry Co.*, 492 F.2d 1317, (2d Cir. 1974), *petition for cert. filed*, May 21, 1974, No. 73-1744 30

Page

Goldstein v. *State of California*, 412 U.S. 546 (1973) 14
Hecht Co. v. *Bowles*, 321 U.S. 321 (1944) 30
Hedeman Products Corp. v. *Tap-Rite Products Corp.*, 228 F. Supp. 630 (D.N.J. 1964) 13, 32
Interdent Corp. v. *U.S.*, 488 F.2d 1011 15
Jerome H. Remick & Co. v. *American Automobile Accessories Co.*, 5 F.2d 411 (6th Cir.), *cert. denied*, 269 U.S. 556 (1925) 44, 48
Kalem Co. v. *Harper Bros.*, 222 U.S. 55 (1911) 18, 48
Kewanee v. *Bicron Oil*, 416 U.S.—, 40 L. Ed. 2d 315 (May 13, 1974) 18
King Features Syndicate v. *Fleischer*, 299 Fed. 533 (2d Cir. 1924) 13
Leon v. *Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937) .. 23
Macmillan v. *King*, 223 Fed. 862 (D. Mass. 1914) 47, 49
Markham v. *A. E. Borden Co.*, 206 F.2d 199 (1st Cir. 1953) 13
Masson & Cie, et al. v. *Le Centre National de la Recherche Scientifique* (Le Tribunal de Grande Instance de Paris, January 28, 1974) (France) 45
Mazer v. *Stein*, 347 U.S. 201 (1954) 14, 19
Moorhouse et ano. v. *University of New South Wales*, 624 Austl. 1 (Supreme Court of New South Wales Equity Division, No. 2505 of 1973, May 24, 1974) 45
National Council of Young Israel, Inc. v. *Feit Co.*, 347 F. Supp. 1293 (S.D.N.Y. 1972) 32
National Geographic Socy. v. *Classified Geographic, Inc.*, 27 F. Supp. 655 (D. Mass. 1939) 49
L. C. Page & Co. v. *Fox Film Corp.*, 83 F.2d 196 (2d Cir. 1936) 48
Perma Life Mufflers v. *International Parts Corp.*, 392 U.S. 134 (1968) 29

Page

Porter v. *U.S.*, 473 F.2d 1329 (5th Cir. 1972) 17

Public Affairs Associates, Inc. v. *Rickover*, 284 F.2d 262 (D.C. Cir. 1960), *judgment vacated*, 369 U.S. 111 (1962) 23

Rosemont Enterprises v. *Random House, Inc.*, 366 F.2d 303 (2d Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967) 24

Rosette v. *Rainbo Record Manufacturing Corporation*, 354 F. Supp. 1183 (S.D.N.Y. 1973) 17

Shapiro, Bernstein & Company v. *4636 S. Vermont Avenue, Inc.*, 367 F.2d 236 (9th Cir. 1966) 40

Shapiro, Bernstein & Co. v. *P. F. Collier & Son Co.*, 26 U.S.P.Q. 40 (S.D.N.Y. 1934) 25

Teleprompter Corp. v. *CBS, Inc.*, 415 U.S. 394 (1974) 46

Tiffany Productions, Inc. v. *Dewing*, 50 F.2d 911 (D.Md. 1931) 48

Universal Pictures Co. v. *Harold Lloyd Corp.*, 162 F.2d 354 (9th Cir. 1947) 34

U.S.A. v. *ASCAP*, CCH 1940–43 Trade Cases ¶56,104; 1950–51 id. ¶¶62,594, 62,595 30

Walt Disney Productions v. *Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972) 23

Walt Disney Productions v. *Alaska Television Network, Inc.*, 310 F. Supp. 1073 (W.D. Wash. 1969) 40

L. A. Westermann Co. v. *Dispatch Printing Co.*, 249 U.S. 100 (1919) 17

White-Smith Music Co. v. *Apollo Co.*, 209 U.S. 1 (1908) 46

Wihtol v. *Crow*, 309 F.2d 777 (8th Cir. 1962) 23

F. W. Woolworth Co. v. *Contemporary Arts, Inc.*, 344 U.S. 228 (1952) 31

Page

CONSTITUTION:

United States Constitution

Article 1, Section 8, Clause 8 ..... 2, 14

Amend. V 15

STATUTES:

1 Stat. 124 47

17 U.S.C.

§1 ..... 28, 44

§1(a) 3, 12, 13, 39, 45, 46, 48, 49

§1(c) 39

§1(e) 39

§3 ..... 4, 13

§10 ..... 44, 48

§§13, 16, 24 44

§101 13

§101(b) 2

28 U.S.C.

§1255(1) 2

§1498 29

§1498(b) 2, 4, 10, 11, 15, 17, 29

42 U.S.C.

§275 43

§280b-1 et. seq 43

REGULATIONS:

37 C.F.R. §202.8 17

FOREIGN STATUTES:

United Kingdom Copyright Statute of 1956, 4 & 5 Eliz. 2 c. 74 45

Page

CONGRESSIONAL MATERIALS:

H.R. REP. No. 2222, 60TH CONG. 2D SESS. (1909) 47
H.R. REP. No. 624, 86TH CONG. 1ST SESS. (1959) 15, 28
H.R. REP. No. 83, 90TH CONG. 1ST SESS. (1967) 27, 35, 38, 39, 41
HEARINGS ON H.R. 4347 AND OTHER BILLS BEFORE SUB-COMM. NO. 3 OF THE HOUSE JUDICIARY COMM., 89TH CONGRESS, 1ST SESS. (1965) 43
HEARINGS ON S. 1361 BEFORE THE SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE COMMITTEE ON THE JUDICIARY, UNITED STATES SENATE, 93RD CONGRESS, 1ST SESS. (1973) 37
S. 1361, 93RD CONG. 2D SESS. 21, 39
SEN. REP. NO. 93-983, 93RD CONG. 2D SESS. (1974) 39

BOOKS:

COMPENDIUM OF COPYRIGHT OFFICE PRACTICES (1970) 17
GEORGE FRY & ASSOC., "SURVEY OF COPYRIGHTED MATERIAL REPRODUCTION PRACTICES IN SCIENTIFIC AND TECHNICAL FIELDS," (1962) 26
NIMMER ON COPYRIGHT (1973) 25, 41
NIMMER ON COPYRIGHT (1974) 32
SCHAFFERT, ELECTROPHOTOGRAPHY (THE FOCAL PRESS 1965) 47

PERIODICALS:

THE BUREAU OF NAT'L AFFAIRS, 157 PATENT, TRADEMARK & COPYRIGHT JOURNAL, AT D-4 (DEC. 13, 1973) 28
BUSINESS WEEK, JUNE 29, 1974, at 92 16
CHAFEE, *Reflections on the Law of Copyright*, 45 COL. L. REV. 503 (1945) 19
NEW YORK TIMES, MARCH 24, 1974 19
NOTE, 14 NOTRE DAME LAWYER 443 (1939) 20
Project-New Technology and the Law of Copyright: Reprography and Computers, 15 U.C.L.A. L.REV. 931 (1968). 18

IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-1279

THE WILLIAMS & WILKINS COMPANY,
Petitioner,

—against—

THE UNITED STATES,
Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CLAIMS

PETITIONER'S BRIEF

THE OPINIONS BELOW

The opinion of the Court of Claims Trial Judge (Single Appendix, pages 26 through 88) was unofficially reported in the United States Patent Quarterly at 172 USPQ 670. The majority and dissenting opinions of the Court of Claims (Petition Appendix[1] pages 1 through 104) were reported at 487 F.2d 1345 and 180 USPQ 49.

[1] Printed Appendix to Petition for Certiorari, pages in which are hereinafter referred to as "Pet. App.—".

JURISDICTION

The judgment of the Court of Claims was entered on November 27, 1973. The jurisdiction of this Court to review that judgment is invoked under 28 U.S.C. §1255(1). The petition for certiorari was filed on February 20, 1974 and certiorari was granted on May 28, 1974.

QUESTION PRESENTED

Does systematic reproduction of copyrighted journal articles in their entirety by U.S. Government libraries constitute "fair use" or copyright infringement compensable under 28 U.S.C. §1498(b)?

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

1. Article I, Section 8, Cl.8 of the United States Constitution provides in pertinent part:

> "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

2. 28 U.S.C. §1498(b) provides:

> Hereafter, whenever the copyright in any work protected under the copyright laws of the United States shall be infringed by the United States, or by a contractor, subcontractor, or any person, firm or corporation acting for the Government and with the authorization or consent of the Government, the exclusive remedy of the owner of such copyright shall be by action against the United States in the Court of Claims for the recovery of his reasonable and entire compensation as damages for such infringement, including the minimum statutory damages as set forth in section 101(b) of title 17, United States Code: *Provided*, That a Government employee shall have a right of action against the Government under this subsection except where

> he was in a position to order, influence, or induce use of the copyrighted work by the Government: *Provided however*, That this subsection shall not confer a right of action on any copyright owner or any assignee of such owner with respect to any copyrighted work prepared by a person while in the employment or service of the United States, where the copyrighted work was prepared as a part of the official functions of the employee, or in the preparation of which Government time, material, or facilities were used: *And provided further*, That before such action against the United States has been instituted the appropriate corporation owned or controlled by the United States or the head of the appropriate department or agency of the Government, as the case may be, is authorized to enter into an agreement with the copyright owner in full settlement and compromise for the damages accruing to him by reason of such infringement and to settle the claim administratively out of available appropriations.
>
> Except as otherwise provided by law, no recovery shall be had for any infringement of a copyright covered by this subsection committed more than three years prior to the filing of the complaint or counterclaim for infringement in the action, except that the period between the date of receipt of a written claim for compensation by the department or agency of the Government or corporation owned or controlled by the United States, as the case may be, having authority to settle such claim and the date of mailing by the Government of a notice to the claimant that his claim has been denied shall not be counted as a part of the three years, unless suit is brought before the last-mentioned date.

3. Section 1(a) of the Copyright Law, 17 U.S.C. §1(a), provides:

> "§1. Exclusive Rights as to Copyrighted Works. Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

a) To print, reprint, publish, copy, and vend the copyrighted work;"

4. Section 3 of the Copyright Law, 17 U.S.C. §3, provides in pertinent part:

"§3. PROTECTION OF COMPONENT PARTS OF WORK COPYRIGHTED; COMPOSITE WORKS OR PERIODICALS. The copyright provided by this title shall protect all the copyrightable component parts of the work copyrighted, ***. The copyright upon composite works or periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title."

STATEMENT OF THE CASE

1. *Introduction.* This action seeks reasonable compensation from the Government for copyright infringement. The action is brought under 28 U.S.C. §1498(b), which provides for such compensation as petitioner's exclusive remedy. Accordingly, injunctive relief is neither sought nor possible.

Petitioner challenges respondent's systematic reproduction and distribution, without payment, of complete articles from petitioner's copyrighted journals. This reproduction is accomplished through a system of photocopying journal articles of petitioner and others. The system is an integral part of the operations of the Government's National Institutes of Health and National Library of Medicine, under which millions of pages are copied each year.

The Trial Judge found for petitioner on the issue of liability, with the amount of reasonable compensation reserved for later determination. The Court of Claims, in a 4-3 decision, found the Government's system of reproduction to constitute "fair use," rejected its Trial Judge's decision and dismissed the petition.

The majority below concluded that "on this record, the challenged use should be designated 'fair', not 'unfair'." (Pet. App. 14.) One of the three dissenting judges viewed the majority decision as one that would "encourage unrestricted piracy. However hedged, the decision will be read, that a copyright holder has no rights a library is bound to respect". (Pet. App. 69.)

2. *Petitioner and its Journals.* Petitioner is a relatively small medical and scientific publisher. (Finding 2,[2] Pet. App. 71.) Its journals, though highly respected (*e.g.*, F-9(a), Pet. App. 76-77), have a limited number of subscriptions. (F-7, Pet. App. 76.) The function of petitioner as a publisher of medical and scientific journals and books is to determine what is needed to advance knowledge in the field of medicine; analyze who is qualified to write on those subjects; edit their manuscripts; and produce and market the finished product. (F-9(a), Pet. App. 76.) Petitioner's activities, along with those of respondent and others, contribute to research and education on the diseases of man and the furthering of public health that results from the dissemination of medical information. (Transcript of Testimony,[3] pages 263, 489.)

Most of petitioner's journals are published in conjunction with nonprofit medical and scientific societies, which receive from 50% to 90% of net profits, if any (F-9(b), Pet. App. 77), with petitioner bearing the risks of loss (*e.g.*, Deft. Ex. 3, par. 8). Four journals are directly involved in this action, three of which have for many years been published in conjunction with such societies. The facts concerning these four journals (F-5(a),

---

[2] The findings of fact of the majority below will hereinafter be referred to as "F—". The findings of the Trial Judge are set forth in the Single Appendix filed pursuant to Rule 36, pages in which are hereinafter referred to as "A.—".

[3] Pages in the transcript of testimony are hereinafter referred to as "Tr.—". Since most of the facts are not in dispute, the parties, guided by the policy of Rule 36, have reduced the printed Single Appendix to a minimum. Accordingly, portions of the transcript and certain other parts of the record to which reference is made have not been printed.

Pet. App. 73; F-7, Pet. App. 76) may be summarized in the following table.

Journal	Society	First Published by Petitioner With Society	1969 Approx. No. of Subscriptions	1969 Price
Medicine	—	—	5,400	$12
Pharmacological Reviews	American Society of Pharmacology and Experimental Therapeutics	1909	3,100	$15
Journal of Immunology	American Association of Immunologists	1920	4,700	$22 (society members) $44 (non-members)
Gastroenterology	American Gastroenterological Association	1946	7,000	$12.50 (society members) $25 (non-members)

These four journals are among the leading publications in their respective fields. For example, *Gastroenterology* is considered the outstanding journal in its specialty in the United States and probably in the world (F-9(a), Pet. App. 77).

In addition to subscriptions, petitioner established a licensing program to obtain income from various uses of its medical journals. (F-36, Pet. App. 92–93.) These include:

(i) Licensing reproduction of articles as part of a new book, particularly for use by educational institutions.

(ii) Licensing reproduction, for a payment, of multiple copies by Government agencies and others.

(iii) Sale of microfilm editions.

(iv) Authorization of reprint houses.

(v) A royalty-bearing license to the Institute of Scientific Information to provide requesters with "single copies," *i.e.*, copies of articles, one at a time, for each user. (Tr. 42-43, 127.)

(vi) Licenses to libraries, including Government libraries, to make single copies for users at 5 cents per page.[4]

The effect of unauthorized photocopying cannot be measured exactly in dollars and cents. (Tr. 72-73). In fact, it is not even clear that anybody could determine whether any particular instances of photocopying would or would not result in the loss of a particular form of revenue by a publisher, such as petitioner (Tr. 1107).

Eight articles from petitioner's four journals described above were among the many systematically copied by respondent. Infringement of copyright in these articles was asserted in the petition in the Court of Claims (A. 4–9, 11, 21–23) in an effort to establish the rights of petitioner and other copyright proprietors in this test case.

3. *The Government's Operations.* The National Institutes of Health ("NIH") Library photocopying service employs two Xerox copying machines and two microfilm cameras in conjunction with a Xerox Copyflo printer to provide the 12,000 NIH employees with permanent copies of journal articles. (F-15, Pet. App. 80.) Four employees operate this equipment and filled over 85,000 requests for photocopies of journal articles in fiscal year 1970, representing the photocopying of almost 1,000,000 pages. (*Id.*) In that year, its photocopying budget

[4] The majority below referred to a licensing plan developed by petitioner since the trial. (Pet. App. 24). This plan would offer libraries a blanket license to furnish any or all of their users with single copies of petitioner's articles, upon payment of a single additional fee along with the subscription price and without the need for any reporting or bookkeeping. See p. 37, n. 26, *infra*.

was $86,000. (F-15, Pet. App. 80.) Slightly less than this, *i.e.*, $85,000, was spent in the same year for the purchase of journal materials. (F-13, Pet. App. 79.)

The National Library of Medicine ("NLM") stands at the apex of a national network of libraries, including 10 regional medical libraries and approximately 400 libraries throughout the country. (Tr. 456, 490.) NLM is a library furnishing material free of charge to other libraries and institutions throughout the United States, giving the same service to commercial interests as it does to medical schools, hospitals, foundations and government institutions. Requests by commercial companies, particularly drug companies, account for about 12% of NLM's services. (F-21(a), Pet. App. 84.)

This free service of NLM is referred to as "interlibrary loans" —a euphemism as applied to journal articles which are photocopied and never returned. (*Id.*) In the case of journals as distinguished from books, NLM (rather than the user) has decided to furnish reproductions of desired articles, on a no-return basis, instead of lending the original. (A.30.)

NLM also uses a microfilm with a Xerox Copyflo printer. It utilizes mobile 35 mm. cameras which have an electrical power line overhead so that they move up and down the aisles of the library to film material which is brought to the end of the stack range (F-21(b), Pet. App. 84).

As a result of NLM's comprehensive system of "loaning" journals by permanently furnishing photocopies of journal articles, NLM filled more than 120,000 requests, representing approximately 1.2 million pages of photocopies in fiscal 1968. (F-21(b), Pet. App. 84.)

Photocopies of petitioner's journal articles are generally made by NIH and NLM for users engaged in medical or scientific research or treatment, and the copies of the articles here involved were made for, and furnished to, such persons who used them in their work. (Pet. App. 14.)

In performing its photocopying, the Government leases its copying machines from Xerox Corporation, which it pays according to the number of pages photocopied (F-15, Pet. App. 80).

NLM's photocopying service is enhanced by its publication and sale of a current index of medical literature called *Index Medicus*, which is a compilation of citations to about 2,400 leading biomedical journals (F-20(c), Pet. App. 83), including petitioner's. NLM thus advertises to the medical and scientific community which constitutes petitioner's market that certain articles are available free of charge in the form of a photocopy. (Chief Judge Cowen's dissenting opinion, Pet. App. 41.)

There has been prepared for NLM a graphic image system which allows for the microfilming, storage and retrieval of journal articles, such as those published by petitioner, for the purpose of automated preparation of enlargement prints. (Tr. 814–15.)

The Government, through the General Services Administration, advised users of its 55,000 copying machines in 1966 (operated at an annual cost then estimated at $80 million dollars) as follows:

> "[T]he current widespread use of copying machines . . . is beginning seriously to affect the sale of published works, such as magazines, textbooks, and technical papers . . .
>
> "Because the copier has made it easy to reproduce published works, extra precaution is necessary. Where a notice of copyright is shown, either on the work itself or by general statement in the publication, the law is clear: it may not be copied unless permission of the publisher or author is obtained." (Pl. Ex. 32, Foreword and P. 6, Tr. 198).

The NIH Library and NLM have stated policies which provide for limitations on the nature and extent of their copying of copyrighted and other materials. (*e.g.*, Deft. Ex. 15, 16.) These include the making of only a single copy for each user at one time, and the length and number of articles from one issue. Some

of these limitations are routinely waived (F-17(a), Pet. App. 81); others are difficult, or impossible, to enforce. (Pet. App. 34).

Works classified as "monographs," rather than journal articles, are not photocopied at NIH, even to the extent of a short chapter, without permission of the copyright proprietor. (Tr. 172, 1256, 1263). Moreover, the policy of the Library of Congress is that "copyright material will ordinarily not be copied without the signed authorization of the copyright owner." (Pl. Ex. 46, Tr. 774).

As early as 1957, the then Director of NLM, focusing on recent journals of wide availability (such as those here involved), stated that free photocopying in the NLM had developed beyond reasonable bounds; that "on the face of it, this is a need which the printing press, not the camera, is designed to fill"; and that "NLM should not run a copying service *per se*." (F-43(b), Pet. App. 102). The photocopying policies of NLM then were substantially similar to those presently followed. (Tr. 835, 830; Pl. Ex. 29, p. 10; Deft. Ex. 71).

Before bringing this lawsuit, petitioner's president went to see the director of NLM in an attempt to discuss a royalty plan for photoduplication. The NLM director stated that he would pay no royalty until a court ordered him to do so. (Tr. 75).

SUMMARY OF ARGUMENT

I. The Constitutional purpose of copyright is to promote knowledge by granting incentives to authors in the form of copyright property. Appropriation of this property by the Government through infringement of copyright is remediable by an award of reasonable compensation under 28 U.S.C. §1498(b). One of the specific reasons Congress passed this statute was to permit recovery from the Government for infringement by photocopying. Such infringement has taken place here by the Government's massive system of photocopying of petitioner's journal articles, enhanced by its publication of a widely distributed catalogue of material available in the form of free photocopies.

The Government recognizes property rights in hardware by paying Xerox Corporation for each copy. Moreover, the marketplace recognizes petitioner's property by making payments under license to petitioner for reprints, microfilm, and authorized photocopying. The Government, nevertheless, has refused to make any such payments to petitioner for its rights in the material being copied.

This is not merely a case of technical infringement of copyright, as confirmed by the recently announced consortium of libraries which plans to cut back on journal purchases and systematically exchange photocopies. It is a comprehensive system of copying which places the continued viability of privately published scientific journals in grave doubt.

II. The fair use defense developed to permit authors to use portions of earlier material in their own works. This judge-made rule, which advances the Constitutional purpose of copyright, has traditionally been applied to situations in which a new work was being created and where only a reasonable amount of earlier material was taken. There is no sound reason why this defense should be extended to this case which involves massive, naked reproduction of complete journal articles thus permitting the accumulation of free reprints by the group constituting petitioner's potential market. Since the reprints in this situation serve as substitutes for the original, they affect the potential market for petitioner's works and thus should not be excused from payment under the defense of fair use.

III. The eminent domain theory underlying 28 U.S.C. §1498(b) produces a most appropriate vehicle to resolve competing interests: petitioner is entitled only to reasonable compensation for the reproduction of its articles and there is no possibility of an injunction. In other situations involving compelling needs for use of scientific materials not met by voluntary licensing arrangements this "reasonable compensation" remedy is also

available. Alternatively, in this situation, other courts might equitably withhold injunctions and require only monetary compensation.

IV. The majority below used makeweights to support its unjustified extension of the fair use defense to this case. Contrary to the arguments made in its opinion:

1. Although petitioner was not required to show actual harm, the record supports the finding of the Trial Judge that there was such harm.

2. Medical research will be helped, not harmed, by an award of reasonable compensation contributing to the fragile base of financial support of privately published, limited circulation scientific journals.

3. An unjust result cannot be excused on the ground that it is a "holding operation" until Congress acts. Congress has thus far declined to grant a library photocopying exemption, leaving this problem to voluntary licensing arrangements and case by case adjudications in the courts. Voluntary arrangements are thwarted, not enhanced, by a decision refusing to recognize *any* rights in publishers.

4. The purported limitations on photocopying by the Government libraries in question—particularly the single copy per user at one time policy—are illusory and irrelevant.

5. Practices of libraries or others before the advent of current photocopying methods are irrelevant.

6. Foreign statutes show that legislative action is required for special library exemptions.

7. The words "print, reprint, publish and copy" set forth in section 1(a) of the Copyright Law to delineate exclusive rights of the proprietor mean what they say.

ARGUMENT

Introduction

The usual infringement issues in copyright litigation are not present in this case. These troublesome questions are whether a defendant copied from the plaintiff's work or produced his work independently and whether enough was copied to amount to infringement. In this case, the Government admits copying directly from petitioner's journals, by physically producing facsimiles. Such copying reproduced the *entire* articles in question, and the majority below agreed with petitioner that "each article in the journals is protected from infringement to the same extent as the entire issue."[5] (Pet. App. 7, n. 6) It is also conceded that petitioner is the proprietor of record of copyrights covering the journals in question.[6]

As a result of these areas of agreement, it is submitted that petitioner has established a *prima facie* case of infringement of its rights to "copy", "print", "reprint" and "publish" under section 1(a).[7] Thus, unless the Government establishes its defense of fair use, petitioner is entitled to an award of reasonable compensation.

---

[5] It is thus agreed that each article must be considered a separate work; therefore, copying an entire article is copying an entire work. This is explicitly required by Section 3 of the statute which provides that "the copyright upon . . . periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title." 17 U.S.C. §3. See Markham v. A. E. Borden Co., 206 F.2d 199 (1st Cir. 1953); King Features Syndicate v. Fleischer, 299 Fed. 533 (2d Cir. 1924); Hedeman Products Corp. v. Tap-Rite Products Corp., 228 F. Supp. 630, 633 (D.N.J. 1964).

[6] In the Court of Claims, notwithstanding petitioner's record ownership, the Government contested petitioner's right to sue which had been resolved in petitioner's favor by the Trial Judge. The majority below stated: "We assume, for the purposes of the case, but without deciding, that plaintiff is the proper copyright owner and entitled to sue here, and we agree with plaintiff that on that assumption, it can sue for infringement of the eight separate articles." [Footnotes omitted] (Pet. App. 7)

[7] The fallacy in the argument that these words do not mean what they say is demonstrated at pages 45–49, *infra*. The statute does not define infringement; it simply provides a range of remedies against anyone who "shall infringe the copyright" in any protected work. 17 U.S.C. §101.

I

THE CONSTITUTIONAL AND STATUTORY POLICIES UNDERLYING COPYRIGHT REQUIRE REASONABLE COMPENSATION TO PETITIONER

The framers of the Constitution furnished Congress with a particular means by which to "promote the Progress of Science . . ." Art. I, Sec. 8, Cl. 8. This was the power to grant a form of property, known as "copyright," as an incentive to authorship.

As recently stated by Chief Justice Burger, for this Court, in *Goldstein v. State of California*, 412 U.S. 546, 555 (1973):

> "The clause thus describes both the objective which Congress may seek and the means to achieve it. The objective is to promote the progress of science and the arts. As employed, the terms 'to promote' are synonymous with the words 'to stimulate,' 'to encourage,' or 'to induce.' To accomplish its purpose, Congress may grant to authors the exclusive right to the fruits of their respective works."

The policy underlying this Constitutional choice of copyright as "the means to achieve" progress was explained by this Court in *Mazer v. Stein*, 347 U.S. 201, 219 (1954):

> "The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in 'Science and useful Arts.' Sacrificial days devoted to such creative activities deserve rewards, commensurate with the services rendered".[8]

The present action was brought because constitutionally sanctioned property, granted as a deserved reward, is being appropriated without compensation. This uncompensated tak-

[8] As the means and not the end, rewards to authors and publishers are a "secondary consideration", but are intended as "valuable, enforceable rights." *Id.*

ing will have the undesired result of discouraging creative efforts of authors and their publishers who contribute by making it possible for their authors to reach the public. Far from aiding "the progress of Science," such a result clashes with the letter and spirit of both the Constitution and the Copyright Act.

Because such appropriation is by the Government, petitioner sues under a jurisdictional statute which implements another Constitutional policy—the prohibition in the Fifth Amendment against the taking of private property for public use without just compensation. See H.R. Rep. No. 624, 86th Cong. 1st Sess. 2 (1959). Cf. *Interdent Corp. v. U. S.*, 488 F.2d 1011 (Ct. Cl. 1973).

Congress has expressly provided for suits against the Government for copyright infringement by adding a companion subsection, 28 U.S.C. §1498(b), to the long-established provision covering Government liability for patent infringement. Legislative history, which is often unenlightening, provides a dramatic insight into the applicability of this statute to the present case.

Before Congress passed this enabling statute in 1960, its attention had been called to the increased risks of liability caused by the development of copying machines. The Congressional purpose was twofold: (a) to waive sovereign immunity and make the Government liable for copyright infringement; and (b) to protect Government employees from personal liability for copyright infringement by substituting a remedy of damages against the Government. In commenting on the latter objective, the Secretary of Commerce advised Congress of the fact that "the increasing use of desk photocopying machines in the routine administration of the departments make the possibility of infringement [by Government employees] an ever increasing danger." H.R. Rep. No. 624, 86th Cong. 1st Sess. 5 (1959). Thus, one of the specific purposes for which Congress passed the 1960 statute was to make the Government liable for infringement by photocopying, as is here involved.

If the policy underlying copyright is to survive as a viable incentive to write and to publish, an award of reasonable compensation is essential in this particular case of infringement by

photocopying. The Government has not merely invaded petitioner's rights in some minor or technical sense. Far from being casual or sporadic, the Government's copying operation is wholesale, conducted on a "scale so vast that it dwarfs the output of many small publishing companies." (Chief Judge Cowen dissent, Pet. App. 31)

The Government's operation goes even further. By publishing *Index Medicus*, the Government advertises the availability of its photocopies and solicits "the medical community which constitutes plaintiff's market." (*Id.* at Pet. App. 41) The free service thus offered obviates the need of the users to subscribe, purchase reprints or otherwise contribute to the financial support of the journal.[9]

The result is a "vicious cycle which can only bode ill for medical publishing." (A. 42) This can be described as follows: It is virtually impossible to add to the subscribers to such journals beyond those in the discipline served by the particular journal and those relatively few libraries which choose to serve those disciplines. However, while the number of subscribers remains static, the costs of publication continually increase. At the same time photocopying technology continues to improve, enabling copies to be made more cheaply and efficiently.[10] If subscription prices are raised to cover costs plus a reasonable profit, the point is soon reached where, instead of subscribing, some users of the material will photocopy. And as subscription prices increase the continued improvement of photocopying creates an even greater incentive to photocopy. Thus, raising subscription prices does not solve the problem of providing sufficient income to cover cost because it simply encourages fewer subscriptions and more photocopying. Eventually, there will be so few subscribers and the prices will be so high that the journal will be forced to cease publication.

[9] Petitioner supports the service provided by *Index Medicus*, as it supports library photocopying, because both disseminate more broadly the articles which petitioner publishes. The question here is simply one of reasonable compensation.

[10] See, for example, Business Week, June 29, 1974, at 92 which describes the latest Xerox copier developments.

The marketplace has recognized petitioner's property rights by making payments for use of its articles in various forms to support the journals over and above subscriptions. Thus, users—such as the individuals and libraries for whom the Government makes photocopies in the present situation—have bought reprints, microfilm, and photocopies where those forms were convenient (F-36, Pet. App. 92–93). This Court has recognized the damage to a copyright proprietor that results when he is deprived of license royalties. In *L. A. Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100 (1919), plaintiff had a system of licensing his advertising illustrations on an exclusive basis for different localities and time periods. This Court approved the finding by the Circuit Court of Appeals that the plaintiff had there sustained damage which "rested in the injury to his [exclusive license] contract, and in the discouragement of and the tendency to destroy his system of business. To make any accurate proof of actual damages was obviously impossible." 249 U.S. at 103–04.

The Government's refusal of a license from petitioner ignores petitioner's intellectual property rights. This is in contrast to the Government's recognition of the property rights of Xerox Corporation which is paid for each page copied. Thus this lawsuit became necessary to prevent the destruction of petitioner's copyrights and of its business which vitally depends on those rights.

Licensing is important because the Constitutional purpose of copyright seeks to encourage not only the creation of works but their dissemination. Thus, statutory protection for journals is available only if they are published.[11] See *Compendium of Copyright Office Practices* 2.3.1 (as of July 1, 1970). This policy

[11] Protection for certain classes of "unpublished" works is available, but that is because such works are usually disseminated to the public in a form which is technically "unpublished." See, *e.g.*, 37 C.F.R. §202.8. *Cf.* Rosette v. Rainbo Record Manufacturing Corporation, 354 F. Supp. 1183 (S.D.N.Y. 1973). Protection for unpublished journal article manuscripts would be under the common law. It has recently been noted, in a case involving the papers of Lee Harvey Oswald, that 28 U.S.C. §1498(b) does not cover infringement of common law copyright. Porter v. U.S., 473 F.2d 1329 (5th Cir. 1972).

is akin to that under which "the patent laws impose upon the inventor a requirement of disclosure." See *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S.—, 40 L. Ed. 2d 315, 325 (May 13, 1974). The economic incentive underlying copyright protection is operative when various media of dissemination, both old and new, are utilized. Compensation is appropriate whether or not use in a medium cuts into income from established forms of exploitation.

In the early part of this century, it had been argued that a novelist should not receive compensation from a motion picture based on his novel on the grounds that motion picture revenues do not detract from the author's income from his novel, but rather, add to such income. See *Kalem Co. v. Harper Bros.*, 222 U.S. 55, 57 (1911). The argument was properly rejected because it missed the point that alternative forms of exploitation in keeping with current technology come within the normal ambit of a copyright owner's rights. This flows from the fact that an expression of intellectual creation, like a chair, a house, or a plot of land, is the subject of a property right.

One no longer need speculate that the future health of private journal publishing is seriously in jeopardy.[12] Petitioner's prediction has become a reality. As early as the trial, NLM offered a glimpse of a graphic image system which allows for storage and automatic retrieval of microfilmed articles for automated preparation of enlargement prints. (Tr. 814–15) Emboldened

---

[12] One alternative which has been suggested is government subsidy. However, this concept is unacceptable because it is not desirable to have the government support enterprises which can be supported privately; because government support is subject to political and budgetary considerations which make it undependable; and finally, government payment brings with it government control. If at all possible, the government should not be involved in controlling the dissemination of scientific information. This latter point is referred to by the Trial Judge (A. 35) and is discussed more fully in Project—New Technology and The Law of Copyright: Reprography and Computers, 15 U.C.L.A. L. Rev. 931, 956 (1968)

by the majority decision below, a consortium of libraries—presently Harvard, Yale, Columbia and the New York Public Library, but to be expanded as soon as possible to include other libraries—has recently embarked on "a sweeping and controversial program of combined operations that will entail cutting back purchases of many publications and systematically exchanging photocopies of previously published writings." Although "(t)he early stages of this project are expected to cost $10 million to $15 million," library officials state that there is no plan for the libraries to pay royalties. "They cite a recent United States Court of Claims decision in a case known as Williams & Wilkins, as supporting their position." (New York Times, March 24, 1974, at 59.)

II

THE GOVERNMENT HAS NOT ESTABLISHED THAT ITS MASSIVE SYSTEM OF REPRODUCTION SHOULD BE EXCUSED BY THE DEFENSE OF FAIR USE

The Copyright Act grants to the copyright proprietor, without exception, the "exclusive right . . . to print, reprint, publish, copy and vend the copyrighted work". However, the "individual effort" and "creative activities" to be encouraged by copyright, see *Mazer v. Stein*, *supra*, 347 U.S. at 219, often require reference to another's material. And, in the course of such use, some copying necessarily takes place. The "progress of science", and consequently of mankind, is indeed promoted by this process. For, as has been noted by Prof. Chafee: "The world goes ahead because each of us builds on the work of our predecessors. 'A dwarf standing on the shoulders of a giant can see farther than the giant himself.' " Chafee, Reflections on the Law of Copyright, 45 Col. L. Rev. 503, 511 (1945). Thus, while this kind of copying certainly comes within the literal grant of exclusive rights under the Copyright Act, a judge-made rule of reason has developed to exempt these uses

ot portions of earlier works from constituting copyright infringement. This is the often cited and much misunderstood defense of "fair use".

The majority below purported to use this defense to excuse the Government from liability. It did so by treating the defense as a catch-all empowering a court to apply its moralistic view of what is "fair." Using this subjective standard, it held that "on this record, the challenged use should be designated 'fair,' not 'unfair' ". (Pet. App. 14.) Even if this were the appropriate test, the discussion in Point I demonstrates that recognition of intellectual property, an award of reasonable compensation for its appropriation by the Government, and support of scholarly journals by those who use them by making photocopies, all are "fair," not "unfair."

But in fact, the development of fair use, as suggested above, has been guided by two main limiting factors: (1) the use in question has been part of the interweaving of previously published material into another "writing of an author" and (2) the material so used has been a reasonable portion of the copyrighted work. The latter element is reflected in the apt description of fair use as simply an attempt by the courts "to bring some order out of the confusion surrounding the question of how much can be copied." Note, 14 Notre Dame Lawyer 443, 449 (1939). Both elements are recognized in one of the earliest expressions on the subject in this country, *Folsom v. Marsh*, 9 Fed. Cas. 342 (No. 4901) (C.C.D. Mass. 1841), decided by Mr. Justice Story on Circuit. It is appropriate to examine this case at some length because it is generally considered the source of the fair use doctrine in this country.

Plantiff, a publisher, had there issued a 12-volume compilation of the writings of George Washington, together with biographical and other material written by plaintiff's author. Defendants' two-volume work on the same subject contained a good deal of original material but did take a number of pages from plaintiff's compilation.

The defense of fair use (or, as it was then called, "fair and bona fide abridgment") was specifically raised by defendants in their argument that "an author has a right to quote, select or abstract from another, in the composition of *a work essentially new*". 9 Fed. Cas. at 344. [Emphasis added] A condition of this defense, according to the court, was a showing of "intellectual labor and judgment" by the defendant. *Id.* at 345.

In approaching the problem, Mr. Justice Story noted that ". . . in cases of copyright, it is often exceedingly obvious that the whole substance of one work has been copied from another . . .; whereas in other cases, the identity of the two works in substance, and the question of piracy, often depend upon a nice balance of the comparative use made in one of the materials of the other; the nature, extent, and value of the materials thus used; the objects of each work; . . ." He went on to note that "a reviewer may fairly cite largely from the original work, if his design be really and truly to use the passages for the purposes of fair and reasonable criticism."

Justice Story then focused on precisely what was taken and for what purposes. He noted that value was more important than quantity and quoted from an English decision to the effect that "when it comes to a question of quantity it must be very vague . . . . It is not only quantity but value, that is always looked to." It is at this point in his opinion that Mr. Justice Story states:

> "In short, we often, *in deciding questions of this sort*, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work." 9 Fed. Cas. at 348 [Emphasis added][12]

---

[12] These criteria have been restated through the years, finding recent expression in §107 of S.1361, 93rd Cong., as follows:

(1) the purpose and character of the use;

(cont.)

It is thus apparent that "cases of this sort" involve difficult problems of assessing the quantity and value of the material taken. It is equally clear that the defendants had argued that their use was in a work "essentially new." In a curious foretaste of history, Mr. Justice Story was led to the conclusion of infringement "not without some regret that it may interfere, in some measure, with the very meritorious labors of the defendants, in their great undertaking of a series of works adapted to school libraries." *Id.* at 349.

The present case, of course, does not involve incorporation of materials into a new creation; it rather involves the cumulation of free reprints, produced by xerography, in the collections of the group constituting petitioner's potential market. And, by definition, it does not involve use of a reasonable portion of a copyrighted work; it involves massive, naked reproduction of 30 or 40 page articles in a form which permits their use in place of the original.

It is perhaps for these reasons that the majority below cited no decision supporting its key determinations, finding "hardly any [prior decision] that can even be called close." (Pet. App. 14). The majority avoids the leading decisions involving the defense of fair use because they support the result reached by the Trial Judge and the three judge minority. Brief examination of these cases is warranted to properly place in context the criteria traditionally used by the courts when weighing the applicability of the defense.

To begin with, fair use defenses have been regularly rejected by the courts where an entire, or substantially entire, work has been reproduced.

---

(2) the nature of the copyrighted work;
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.

In *Wihtol v. Crow*, 309 F. 2d 777 (8th Cir. 1962), a high school choral instructor and church choir director innocently rearranged a copyrighted choral work to make it practicable for his choirs to sing. He then reproduced copies of this new arrangement and performed it once with his high school chorus and on one Sunday with his church choir—all for an educational purpose and without profit. The Court of Appeals for the Eighth Circuit held for plaintiff, finding infringement because defendant copied "all, or substantially all of a copyrighted song" and because such wholesale copying could not conceivably be considered fair use merely because the infringer had an innocent intent.

The more celebrated "Jack Benny" case involved a humorous parody of a melodrama. The defendant there argued that the change in treatment made defendant's version a fair use and presented a number of contentions to support its defense. These included Mr. Benny's "custom" over 25 years to present such parodies and the fact that burlesque of a work is in effect literary criticism. The court held that "there is only a single decisive point in the case: one cannot copy the substance of another's work without infringement of his copyright." *Benny v. Loew's Inc.*, 239 F.2d 532, 537 (9th Cir. 1956), *aff'd by an equally divided Court*, 356 U.S. 43 (1958). *Accord, Leon v. Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937); *Walt Disney Productions v. Air Pirates*, 345 F. Supp. 108 (N.D. Cal. 1972).

Public Affairs Associates, Inc. v. Rickover, 284 F.2d 262 (D.C. Cir. 1960), *judgment vacated*, 369 U.S. 111 (1962), made some helpful distinctions in this area. That case was a declaratory judgment action seeking to establish the right of plaintiff to compile certain speeches by Admiral Rickover on the ground, *inter alia*, of fair use. The Court of Appeals (in an opinion by retired Mr. Justice Reed) recognized the various factors that might come into play "[i]f less than the whole text of the speeches is taken" and held that a decision as to the legal effect of such use was premature. The court held, however, that where verbatim copies of speeches are taken, it was able at the thresh-

old to rule out even the possibility of the defense of fair use. 284 F.2d at 272.[14]

Wihtol and *Benny*, particularly, involved creative additions to earlier copyrighted works. This is why the defense was potentially available; even so, it was rejected because of the substantial amount taken. The defense is raised here to enable the Government to furnish free reprints—there is no creativity, and the whole work is taken, over and over again. This is the "reprint service" referred to by Chief Judge Cowen. (Pet. App. 34).

The dominant themes illustrated above are by no means limited to cases rejecting a fair use defense. For example, in *Rosemont Enterprises v. Random House, Inc.*, 366 F.2d 303 (2d. Cir. 1966), *cert. denied*, 385 U.S. 1009 (1967), the court quite properly held that the defense is not restricted to "scholarly works written and prepared for scholarly audiences." The defendant there had used for his biography of Howard Hughes material gleaned from an earlier magazine treatment. The court analyzed the fair use doctrine in terms of material which in its "preparation requires some use of prior materials dealing with the same subject matter," *Id.* at 307, and the public benefit to be derived from a new work using earlier materials, *e.g.*, *Id.* at 307, 308. With regard to the quantum of copying, the court relied on *Benny* and related cases, stating:

> "The fair use privilege is based on the concept of reasonableness and extensive verbatim copying or paraphrasing of material set down by another cannot satisfy that standard." *Id.* at 310.

In the present case, the "verbatim copying" was not merely "extensive"; it was complete. It follows that under *Rosemont*,

[14] This Court's *per curiam* direction for a more comprehensive record in *Rickover* did not appear to be directed to the fair use issues referred to in the text above.

the Government's massive reproduction system would not even approach the area of fair use.

Thus, the rationale of the precedents in this area, as also discussed in the well-documented dissenting opinion of Chief Judge Cowen, supports petitioner. There is no sound reason to depart from established fair use principles by extending the defense to this case. Petitioner's interest is consistent with the public interest in encouraging the flow of new scientific material.

That the fair use defense should not be extended may also be illustrated by focusing on another criterion of fair use—the competitive effect of the unauthorized use on the *potential* market for the original. Put slightly differently, the courts ask the question: Is the kind of use which has been made capable of serving as a substitute for the original?

In seeking to determine "whether the quoted portions *might be* used as a substitute for the original work," *Shapiro, Bernstein & Co. v. P. F. Collier & Son Co.*, 26 U.S.P.Q. 40, 43 (S.D.N.Y. 1934), [emphasis added], the courts are examining "actual or *potential* consumer demand." NIMMER ON COPYRIGHT at 649 (1973) [emphasis added]. But these inquiries are universally in the context of trying to determine whether sufficient—in terms of quantity and quality—has been taken to constitute infringement. See pages 20–22, *supra*. As noted by Mr. Justice Story, such a determination is often difficult because of the necessity to assess the quality and quantity of that portion which has been copied. Accordingly, as a factor in determining whether a partial copying is fair or unfair, the courts sometimes attempt to evaluate whether the portion taken would be sufficient to serve as a substitute for the original.

Such a determination is completely unnecessary in the present case. There can be no issue as to whether or not the use here can serve as a substitute for the original. It concededly does. The Government takes the position that its libraries furnish users with photocopies in lieu of loaning them the original (*e.g.*, Pl. Ex. 25, Tr. 172). But "one copy of the original material could

not possibly be loaned to as many requesters as the numerous photocopies, the competitive effect of which is much greater". (Chief Judge Cowen dissent, Pet. App. 41).

Even if the reproduction were in lieu of loan, infringement has taken place. "The photocopies are exact duplicates of the original articles; are intended to be, and serve the same purpose of the original articles; and serve to diminish plaintiff's potential market for the original articles since the photocopies are made at the request of, and for the benefit of, the very persons who constitute plaintiff's market." (Trial Judge's opinion, A. 41, incorporated into Chief Judge Cowen's dissent at Pet. App. 54). It is thus useless to speculate as to whether a particular library or doctor would in fact subscribe to the particular issue in question. It is the *ability* of the photocopy to serve as a substitute that establishes the injurious effect on a copyright owner's potential market for his work. This applies whether the market is for the original bound volume, reprints, or authorized licensed copies.

The potential here is inescapable. Indeed, it was conceded by the Government itself as early as 1966, when the General Services Administration stated that "the current widespread use of copying machines . . . is beginning seriously to affect the sale of published works, such as magazines, textbooks, and technical papers . . .." (Pl. Ex. 32, Foreword; Tr. 198)

There is no need to argue the matter by citing different portions of reports or surveys not of record.[15] The consortium of

[15] For example, the majority's reliance on a 1962 report (GEORGE FRY & Assoc., "Survey of Copyrighted Material Reproduction Practices in Scientific and Technical Fields") not only focuses on a report too early to have statistical significance, but, as noted by Chief Judge Cowen, ignores the situation most resembling the facts in this case. This was the situation of a university library's furnishing "excellent service on its collection" to several corporate research and development centers in the same town. The result, in the library's view, was minimum numbers of journal subscriptions by the (cont.)

libraries referred to at p. 19, *supra*, is already engaged in plans to purchase only one copy of a journal where four or more may have been purchased earlier. Publishers such as petitioner encourage utilization of new technology to foster economic savings. But survival of limited circulation, respected, privately published journals is clearly endangered when one pictures a nationwide consortium with one journal being transmitted on demand in facsimile form by wire or otherwise to hundreds of libraries, without compensation to publishers. Copyright protection is essential to the economic survival of such journals and insuring survival of such journals is the prerequisite to effective dissemination of medical research materials.

III

THE REASONABLE COMPENSATION MANDATE OF THE JURISDICTIONAL STATUTE IS THE APPROPRIATE MEANS OF RESOLVING COMPETING INTERESTS

The House Judiciary Committee Report leading to House passage of a copyright revision bill in 1967 noted that "fundamental questions of social policy" underlie this whole area, stating:

> "The fullest possible use of the multitude of technical devices now available to education should be encouraged. But, bearing in mind that the basic constitutional purpose of granting copyright protection is the advancement of learning, the committee also recognizes that the potential destruction of incentives to authorship presents a serious danger." H.R. Rep. No. 83, 90th Cong. 1st Sess. at 31 (1967).

All agree that convenient access to scientific materials should be encouraged, and all agree that the continued economic health and viability of the journals to which access is sought is a sound

corporations. The report found this situation was "the one clear-cut example disclosed during the survey of dilution of the publishers' circulation market." Fry Report, p. 119. (Pet. App. 39.)

goal. As demonstrated in I and II, *supra*, the fundamental method for promoting the viability of scholarly journals and other copyrighted works is established by the Constitution and the Copyright Law. As a result, petitioner enjoys rights under section 1 of the law which are being infringed by the Government. The remedy devised by Congress in cases such as this—the reasonable compensation mandate of §1498(b)—is a most appropriate context for consideration of the competing interests involved.

This remedy ". . . is based, generally, upon provisions similar to those now existing in Federal law for patents, but with modifications appropriate to the nature of copyright property." H.R. Rep. No. 624, 86th Cong. 1st Sess. 3 (1959).

The provisions pertaining to patents were accurately described by the Department of Justice in the following recent statement:

> "Under this provision, a patentee has no right to exclude or secure an injunction against such use; there is automatically a mandatory license to the government and its contractors. The patentee has a claim for just compensation, however, which may be brought before the Court of Claims. *** The original reason for this statute, and one that retains vitality today, is that *the government retains the right to undertake and carry out work involving the national defense and security, or other such public necessities, without being blocked from doing so by the patent system, although it should pay reasonable compensation for the use of the patented invention.*" [Emphasis added] The Bureau of Nat'l Affairs, 157 Patent, Trademark & Copyright Journal, at D-4 (Dec. 13, 1973).

As recognized by Congress, the Government in both patent and copyright situations must have the right to use the protected work, subject only to the requirement that it pay the proprietor a reasonable compensation. Petitioner submits that

the complete disregard of this approach by the majority of the Court of Claims in its first determination under the copyright reasonable compensation statute frustrates the legislative purpose. *Cf. Perma Life Mufflers v. International Parts Corp.*, 392 U.S. 134 (1968). For example, one of the three "core" propositions of the court's opinion is that medical research would be injured by finding for petitioner. The payment of reasonable compensation under 28 U.S.C. §1498(b) could not possibly have such a result, any more than reasonable compensation for the Defense Department's use of an invention would harm national defense.

Petitioner recognizes implications beyond the present case. Indeed, this lawsuit was brought to achieve some legal recognition of the rights of publishers by librarians so that dialogue would be possible with the objective of reasonable financial accommodation on both sides. These efforts have been met with adamance on the part of librarians, a position reinforced by the majority decision below. Reversal would afford a unique opportunity to produce a workable pilot arrangement—continuation of photocopying with the Court of Claims setting compensation which is reasonable under the circumstances. The guidelines thus established would furnish significant assistance to librarians and publishers to cooperatively achieve their common goal.

If publishers in petitioner's position resisted the standards established in this "reasonable compensation" case, or otherwise failed to provide access to their works deemed vital to the interests of science, various alternatives emerge. To begin with, there is the potential pressure of 28 U.S.C. §1498(b) itself: NLM has the option of reproducing any scientific article, directly or through a contractor, in which case the publisher can recover from the Government, but no more than "reasonable compensation." This situation is explicitly recognized by the language of section 1498 itself. The burden of bringing an expensive lawsuit in the Court of Claims is, however, a significant induce-

ment to a publisher to follow reasonable standards contractually.

Judge Nichols has outlined his views on the obstacles to equitable relief, by way of injunction, if such a publisher sues a private library. He quotes (Pet. App. 68) the observations of Mr. Justice Douglas that "[t]he essence of equity jurisdiction has been the power of the Chancellor to do equity and to mould each decree to the necessities of the particular case." *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944). The fashioning of appropriate remedies in this area, as a result of the balancing of equities, might make relevant such factors as the availability of authorized copies of the articles in question or the availability of a reasonable licensing plan. If these led the court to withhold an injunction, the infringement might be remedied with appropriate monetary relief. See, *e.g.*, *Edgar H. Wood Associates, Inc. v. Skene*, 347 Mass. 351, 197 N.E. 2d 886, 896 (1964). *Cf. Dun v. Lumbermen's Credit Association*, 209 U.S. 20, 24 (1908); *Foster v. American Machine & Foundry Co.*, 492 F.2d 1317 (2d Cir. 1974), *pet. for certiorari filed*, May 21, 1974, No. 73-1744, (approval of "flexible approach" in patent case denying injunction and providing compensation in form of compulsory license).

This review of the authorities indicates that the majority below not only misconstrued its own duty in this "reasonable compensation" case but conjured up spectres as to other cases (See Pet. App. 25). By exercising its function in this case through an award of reasonable compensation, the Court of Claims would furnish an appropriate model for the fashioning of relief by other courts.[16]

---

[16] The fact that judicial procedures for setting reasonable license fees have been under the antitrust laws is not significant; the systems have worked reasonably well. Judicial rate-making for copyright royalties is employed in the consent decree governing the American Society of Composers, Authors and Publishers. See *e.g.*, U.S.A. v. ASCAP, CCH 1940–43 Trade Cases ¶56, 104; 1950–51 *id.* ¶¶62,594, 62,595.

IV

NOTHING IN THE MAJORITY OPINION BELOW JUSTIFIED DENYING COMPENSATION TO PETITIONER UNDER THE DEFENSE OF FAIR USE.

It has been demonstrated above that the principles underlying the fair use defense do not apply to this case and that on these facts there is no reason to extend the doctrine.

It is against this background that we will examine in some detail the proliferation of "factors" and "considerations" which the majority below used to justify its holding. The result, it is submitted, will amply demonstrate that each is an unreliable prop and that the massive system of furnishing reprints operated by respondent is not and should not be fair use.

A. *The Majority's Three "Core" Propositions.*

1. *Harm to Petitioner.* One of the three propositions at the "core" of the court's position (Pet. App. 14) is its view that the petitioner has not shown substantial harm from the specific practices of NIH and NLM which are the subject of this action.[17] We submit that this conclusion is irrelevant and wrong.

(1) The trial of this action was limited to the issue of liability, with the amount of reasonable compensation, if any, reserved for later determination. This is quite common in copyright cases. Accordingly, it was neither necessary nor appropriate for petitioner to seek to establish damages in the traditional sense. As appears at pages 33–35, *infra*, the record on even the liability issue does contain a showing of harm greater than is required generally for copyright liability.[18]

(2) The majority below apparently thought harm was relevant

---

[17] This proposition is also the basis of the "factor" discussed in Part III, subpart 5, of the court's opinion (Pet. App. 19–23).

[18] The standards required to promote the statutory policy behind copyrights were articulated by this Court in F. W. Woolworth Co. v. Contemporary Arts, Inc., 344 U.S. 228, 233 (1952) where it was recognized that remedies (cont.)

because respondent has raised a defense of fair use. (See Pet. App. 23)[19] As indicated above, this belief is based on an erroneous reading of the criterion of fair use which looks at the competitive effect of the unauthorized use on the potential market for the original. Chief Judge Cowen noted that "although the court states that it rejects the trial determinations as to both actual and potential damage to plaintiff, ... the opinion shows that the court's conclusion is based primarily on its finding that plaintiff failed to prove actual damages". (Pet. App. 37) Aside from using this incorrect standard, the majority was also in error in rejecting the Trial Judge's findings.

To begin with, the hyper-technical approach of the majority on this point is in sharp contrast with its freewheeling assumptions on other subjects, notably harm to medical science.[20] Moreover, in imposing its strict requirement of proof, the majority rejects the inferences reasonably drawn by the Trial Judge from the facts and circumstances in evidence which, according to the Court of Claims rules are "presumed to be correct". See *Bonnar v. United States*, 438 F.2d 540, 542 (Ct. Cl. 1971). As stated in the dissenting opinion of Judge Nichols, the court below "would have had difficulty reaching the conclusion

---

are available under the statute "[e]ven for uninjurious and unprofitable invasions of copyright." This standard has been applied by the courts through the years. See, *e.g.*, Hedeman Products Corp. v. Tap-Rite Products Corp., 228 F. Supp. 630, 635 (D.N.J. 1964); National Council of Young Israel, Inc. v. Feit Co., 347 F. Supp. 1293 (S.D.N.Y. 1972).

[19] It has been shown above that the contexts in which fair use criteria have been applied differ markedly from the present one and that no court before had extended the defense to a wholesale system of furnishing reprints.

[20] Nimmer, in commenting on the decision below, has noted this shift in perspective when the court weighs injury to petitioner "by reason of 'these specific practices of NIH and NLM,' while the counterbalancing interest under the second 'proposition' is not just that of NIH and NLM but medicine and medical research in general. This is like balancing the interest of a particular author in his novel against the public's interest in literature generally. With the scales thus tipped, the balance must be against the copyright." NIMMER ON COPYRIGHT, §145, at 656.1 (1974). A proper balance requires viewing petitioner as representing not only its individual interest but reflecting, rather, the interests of authors, university presses, profit and nonprofit scholarly publishers and the creative and publishing comunities in general.

it did, if it had respected the findings as it should have done." (Pet. App. 71.)

The Trial Judge's inference of damage was clearly warranted and followed the pattern of damage determinations in copyright cases. For example, in *Blumcraft of Pittsburgh* v. *Newman Bros. Inc.*, 337 F.Supp. 859, 863 (S.D. Ohio 1971) the court stated:

> "There is absolutely no direct proof at all of any actual damage to the plaintiff. For instance, there is no direct proof that any architect or any contractor, as a result of the infringement, became a party to a substitution of the defendant's product for the plaintiff's product. Concededly, such proof would be difficult to obtain. On the other hand, it is not difficult for a fact finder to infer from the actions of the parties to this case, as we do, that some damage, did in fact result from the infringement .... This is not unusual in copyright cases."

(3) Over and above the foregoing, the record actually does contain a number of specific evidentiary facts supporting the Trial Judge's findings that "damage may be inferred in this case from the fact that the photocopies are intended to supplant the original articles." (A. 42). These include the following:

> (i) The admission of the NLM Director that the consequences of extensive photocopying services may well be that researchers find it necessary to request fewer reprints of articles. (Tr. 503).
>
> (ii) Large-scale photocopying by libraries not only has a potentially harmful effect on the sales of reprints and back volumes, but it also eliminates the possibility of receiving royalties from photocopying actually licensed by petitioner (Pet. App. 94; Tr. 72-74).[21]
>
> (iii) In the opinion of some scientists and medical journal

---

[21] The majority's labelling the loss of royalties as a "wrong" measure of the detriment to petitioner (Pet. App. 20, n. 19) is refuted by both logic and authority, as has been noted at pages 17–18, *supra*.

editors, photocopying potentially limits the growth of new journals with the unfortunate effect of limiting the dissemination of medical knowledge (Tr. 986-87, 436).

(iv) Although the damage inflicted by photocopying on petitioner cannot be measured exactly in dollars (Tr. 72-73), at least some subscribers cancel subscriptions because photocopying is cheaper. (Pl. Ex. 34.) The question of how many have refrained from subscribing is even more important and less susceptible of proof. However, photocopying is considered by petitioner as one of the reasons why certain of its journals have failed (Tr. 1301-02).[22]

(4) The majority's analysis of the record in this case on the point of damage begins by noting that the Government "made a thorough effort to try to ascertain, so far as possible, the effect of photoduplication on plaintiff's business, including the presentation of an expert witness." (Pet. App. 20).

There is no need to set forth in detail the many inconsistencies and inadequacies of the Government's effort.[23] The total failure of this effort is demonstrated without more by the concessions of the Government's expert that: (i) he had not addressed himself explicitly to any question relating to the photocopying of petitioner's journals (Tr. 1032-33); (ii) in particular, he did not identify in any way, or attempt to measure in any way, the photocopying of petitioner's journals (Tr. 1034); and (iii) he made no attempt to identify specific indicia within the journal publishing field that might be more precise and germane to the economic health of a journal publisher than the indicia he used such as gross national product (Tr. 1072-1073).

[22] Petitioner's officers are not disqualified from offering their judgment in this matter; such judgment is entitled to as much weight as that of "experts" having no experience in publishing (Tr. 933). Cf. Universal Pictures Co. v. Harold Lloyd Corp., 162 F.2d 354 (9th Cir. 1947).

[23] For example, the expert took no account of the steps taken by petitioner to mitigate the potentially harmful economic effects of photocopying (Tr. 1138–39). And if measurement of subscription growths were relevant, it is noted that two of the journals actually lost subscribers from 1968 to 1969 (F-39(a), Pet. App. 93–94).

The Government's economic expert's testimony indicates the difficulty of proving actual harm. In the course of his testimony, he had noted the data which had been unavailable to him, thereby preventing his focusing on the question of photocopying and its effects on petitioner. He was then asked hypothetically about his ability to form an expert opinion on this subject *even if* he had all the data that he needed. He conceded that even if he had all relevant data on the extent of photocopying, he still could not determine *whether or not* petitioner lost any revenues which otherwise might have been received had it not been for photocopying (Tr. 1098–1101, 1102, 1103). Moreover, his testimony leaves it doubtful whether anybody could tell whether any particular instance or instances of photocopying would or would not result in the loss of a particular form of revenue by a publisher such as petitioner regardless of what data was available (Tr. 1107).

Thus, the quest for proving or disproving actual harm at this juncture is unrealistic and illusory. The difficulties in proving actual damages in copyright cases generally have been widely noted. See cases cited at p. 31, *supra*, n. 18.

2. *Effect on Medical Research.* The second "core" proposition[24] for the majority's opinion is its view that awarding petitioner reasonable compensation will stop photocopying and thus harm medical research. Chief Judge Cowen and Judge Nichols both demonstrate that an award of reasonable compensation here would not stop photocopying (Pet. App. 42–43; 67). Such a result cannot possibly occur in this lawsuit nor, as indicated at p. 30, *supra*, can one expect another court to issue injunctions lightly in this context.

In terms of extra-judicial consequences, the evidence does not support the fear that the payment of reasonable royalties would cause photocopying to be stopped. On the other hand, the record does show the following:

[24] This proposition is also the subject of Part III, sub-part 4, of the majority opinion (Pet. App. 19).

(i) Some scientific works are classified as "monographs" rather than "periodicals", although librarians sometimes differ as to the criteria for such classification. (Tr. 649). As a general rule, the Government refrains from photocopying even as much as a short chapter from a monograph without permission of the copyright owner (F-18, Pet. App. 81). (This is to be contrasted with petitioner's interest, not in stopping photocopying of journals, but merely in receiving reasonable royalties.) The Government offered no proof that its self-imposed prohibition against copying chapters of monographs has been harmful, and it is to be presumed that medical research has proceeded apace nevertheless.

(ii) There is testimony by the Chief Librarian at NIH that the payment of royalties to publishers for obtaining photocopies would neither thwart nor hinder the performance of the mission of the NIH library, since such payment is a "side issue", involving economic and budgetary considerations and is not "a service oriented kind of thing." (Pet. App. 43; Tr. 174–75). The royalties requested by the petitioner, even before its blanket license program, were conceded by the NLM Director to be "a very small sum—surprisingly small sum". (F-40(b), Pet. App. 95). Moreover, libraries are quite capable of meeting the cataloging problems involved in sorting out the respective publishers entitled to payment.[25]

(iii) The fact that the Government has made no studies as to administrative costs of a royalty system (F-40(a), Pet. App. 95), itself refutes the majority's conclusion that photocopying would have to be stopped if petitioner prevails. The only administrative costs involved in a royalty system would be essentially allocated portions of salaries (Tr. 634–640). There is no basis for the inference that such amounts would cause a halt to photocopying. (While neither NIH Library nor NLM charge users for the making

[25] For example, NLM encountered no difficulty in identifying articles from petitioner's journals being photocopied when it made the effort (See F-40(b), Pet. App. 95).

of photocopies, other libraries including regional medical libraries operating in conjunction with NLM do charge users for each page of copying. Tr. 912.) Petitioner has made it clear that it prefers automatic blanket licensing without any need for record-keeping.[26] At the trial it was conceded by Government witnesses that a system involving a blanket license could probably be administered simply by way of a spot-check or by a survey as to the amount of copying provided (Tr. 518, 648, 797).

Even if it were burdensome for the Government to comply with an award for reasonable compensation (which it clearly is not), the Government conceded below that the petitioner's right to recover cannot be defeated by administrative costs and inconveniences. (Deft. Brief in Court of Claims p. 65, n. 1).

It has been demonstrated in Point I above that medical research, rather than being harmed, would be benefited by a system of reasonable compensation.

3. *Only a "Holding Operation."* The third "core" proposition is hardly a proposition at all; it seems rather an extraordinary expression of doubt by the majority that its decision is correct. The court states that the problem of accommodating the competing interests of the parties calls for legislative action and that until such action, the court should not place a risk of harm on science. This makeweight becomes even more bizarre at the close of the court's opinion where the hope is expressed that "the result in the present case will be but a 'holding operation' in

[26] Petitioner's alternative of a blanket licensing system referred to by the majority (Pet. App. 24) would cost libraries supplying only their own patrons with photocopies, such as NIH, an average of $3.65 per year for each of petitioner's journals, payable along with the subscriptions. Regional libraries making reproductions for other libraries and NLM, at the apex of a massive national network, would pay proportionally more. These sums may properly be described as "a surprisingly small sum" (F-40(b), Pet. App. 95, 43) from the point of view of a particular library, but they are crucial in the aggregate to a publisher trying to keep scientific journals viable. See HEARINGS ON S. 1361 BEFORE THE SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS OF THE COMMITTEE ON THE JUDICIARY, UNITED STATES SENATE, 93RD CONGRESS, 1ST SESS. (1973) at pp. 157 and 158.

the interim period before Congress enacts its preferred solution." (Pet. App. 29).

It would seem that this ho[illegible], along with the majority's "solid doubt" as to whether "copy" means "copy," discussed below, are weak reeds on which the Court's faulty fair-use analysis leans. Moreover, the history of attempts towards interim solutions and Congressional action demonstrates that the majority's decision, if allowed to stand, will actually block any successful resolution of this issue. Congress has thus far shown a distinct disinclination to act in this area and has suggested voluntary licensing arrangements. See, *e.g.*, H.R. Rep. No. 83, 90th Cong. 1st Sess. 32–33 (1967).[37] The decision reached by the majority below will, as indicated above, merely reinforce adamance on the part of librarians which will block any voluntary arrangement or satisfactory Congressional compromise.

The "holding operation" philosophy also places this pressing problem in an "Alfonse & Gaston" posture. To emphasize the need for Congressional treatment is one thing; to postulate a decision on this basis, even in part, is, it is submitted, virtually an abdication of the judicial function. Moreover, this approach conflicts directly with the legislative exhortation by the House Judiciary Committee that the "courts must be free to adapt the [fair use] doctrine to particular situations on a case-by-case basis;" for this reason the Committee (and presumably the House of Representatives in approving the only copyright revision bill passed by either house in the current effort) had "no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change." It also stated, in fact, that it does not favor a specific provision dealing with library

[37] On July 3, 1974, the Senate Judiciary Committee reported out the most recent version in the ten year succession of copyright revision bills, an amended S. 1361, 93rd. Cong., 2d Sess. A limited library exemption as to single copies of journal articles is proposed under certain conditions (§108(d)) but is inapplicable, *inter alia*, to "systematic reproduction or distribution" (§108(g)). See SEN. REP. No. 93-983 93rd CONG. 2d SESS. 122 (1974). Thus even under this proposed bill, which has not yet been acted upon by either house, the courts would continue to test library photocopying against general fair use principles. See §108(f)(3).

photocopying and that this subject "like everything else, must be judged a fair use or an infringement on the basis of all the applicable criteria and the facts of the particular case." H.R. Rep. No. 83, 90th Cong. 1st Sess. 32, 36 (1967). The majority below quotes and then ignores this precise language in its opinion (Pet. App. 26, n. 28). Petitioner, and authors and publishers generally, are thus caught in a never-ending "holding operation" devised by the majority of the Court of Claims.

B. The Majority's Other "Factors"

(1) The majority judges "start by emphasizing" the non-profit character of the government libraries and the scholarly purpose for which the copies were made. (Pet. App. 14). With respect to the former, it is clear that *every* use by the Government is in effect "non-profit"; and, of course, the medical societies in conjunction with whom petitioner publishes journals are non-profit as well. If this factor were to be determinative or, indeed, even significant, there would be no cases possible against the Government for copyright infringement. Yet, in 1960, with full awareness of the risks of liability through photocopying, Congress gave the Court of Claims exclusive jurisdiction to hear such cases. See p. 15, *supra*. And, it should be noted that Congress has distinguished in the Copyright Act between certain rights which are infringed only by a use which is "for profit" (*e.g.*, public performance of music and of non-dramatic literary works covered by §1(e) and 1(c) of the Statute) and other rights under Section 1(a), such as those involved here, which have no such limitation.

Petitioner agrees that the medical researchers for whom respondent made photocopies used the articles to assist them in their medical research or treatment. But these are the very same people petitioner seeks to serve by its publishing activities and for the very same purposes. It is thus meaningless to belabor the point that the purpose of photocopying was scholarly, inasmuch as every use made of petitioner's works can be so classified. In any event, the Government is no more entitled to appropriate petitioner's property without payment than it would be to similarly seize medicines from private pharma-

ceutical companies for use by NIH in its nonprofit and scientific endeavors.

(2) The majority argues that in furnishing millions of pages of photocopies of complete articles to all users who wish them, the Government's libraries "keep the duplication within appropriate confines." (Pet. App. 15.) This has resulted, it is argued, from "reasonably strict limitations". These appear to focus on restriction of copying for each request to a "single copy of a single article of a journal issue, and to articles of less than 50 pages." (*Id.*) The article length "limitation" is not only irrelevant (because each article, regardless of length, stands on its own feet as a copyrighted work. See p. 13, n. 5, *supra*) but is ignored so routinely as to be meaningless. (*E.g.*, F-17(a), Pet. App. 81). Accordingly, we will focus on the "single copy" limitation.

To begin with, the copyright law has never considered the number of unauthorized copies made at one time a determinant as to whether infringement has taken place. As stated by the Trial Judge, "there is nothing in the copyright statute or the case law to distinguish, in principle, the making of a single copy of a copyrighted work from the making of multiple copies." (A. 39) See, *e.g.*, *Shapiro, Bernstein & Co. v. 4636 S. Vermont Ave., Inc.*, 367 F.2d 236 (9th Cir. 1966). *Cf. Chappell & Co., Ltd. v. Columbia Graphophone Co.*, [1914] 2 Chancery Div. 745; *Associated Music Publishers, Inc. v. Debs Memorial Radio Fund*, 141 F.2d 852 (2d Cir. 1944); *Chappell & Co. v. Middletown Farmers Market*, 334 F.2d 303 (3rd Cir. 1964).

Indeed, this Court has noted a Congressional policy for damages "even for the circulation of a single copy." *Douglas* v. *Cunningham*, 294 U.S. 207, 210 (1935).

Indicative of the importance of even a single copy in the electronic era is *Walt Disney Productions* v. *Alaska Television Network, Inc.*, 310 F. Supp. 1073 (W.D. Wash. 1969). It there appears that one unauthorized videotape of a television broadcast was made and later transmitted over cable television. The court found liability without, however, specifically mentioning the "single copy" point. This case reminds one that a

"single copy" of a journal might some day be stationed in a single location, with images of articles transmitted electronically on demand nationwide. One "single copy" so transmitted would be an infringement as are the "single copies" being furnished here.

When one analyzes the service offered by a library, it becomes apparent that one is not talking about a single copy at all. Petitioner would not have sued for the making of a truly single copy. Here, however, the result of a multiplication of single copies is a multitude of copies even though they are furnished one at a time to individual scientists. As stated by the House Judiciary Committee, "[i]solated instances of minor infringements, when multiplied many times, become in the aggregate a major inroad on copyright that must be prevented." H. R. Rep. 83, 90th Cong. 1st Sess. 35 (1967).[28]

The supposed magic of the single copy limitation is destroyed by evidence of what actually takes place at NIH Library and at NLM. For example:

> (i) Each library has no way to enforce its stated one-copy-per-user limitation inasmuch as there is no procedure to check whether the same user has requested a copy earlier. (F-17 (b), Pet. App. 81). The Government's own witness testified that he has reordered copies of the same article. (Tr. 1355). Indeed there are at least four instances in the record of the same individual's having ordered two copies of the same article on the same day (Pl. Ex. 11-A, pp. 25, 30, 31 and 34).[29]

[28] Professor Nimmer has aptly noted that "there would appear to be a qualitative difference between each individual scholar performing the task of reproduction for himself, and a library or other institution performing the task on a wholesale basis for all scholars. If the latter is fair use, then must not the same be said for a non-profit publishing house that distributes to scholars unauthorized copies of scientific and educational works on a national or international basis?" NIMMER ON COPYRIGHT 654 (1973). It has been conceded here that more people secure photocopies from NIH than would copy substantial portions of articles by hand (F-17(b), Pet. App. 81).

[29] This is the "duplication" referred to by the majority (Pet. App. 15, n. 14). Duplication of copies of the same article for different users is, of course, much greater. See page 42 (ii), *supra*.

(ii) Each library will frequently furnish simultaneously two copies of the same article to different users. This process can go on indefinitely since NLM will furnish any number of libraries with copies of the same article (F-22(a), Pet. App. 85) and the record shows numerous cases where different individuals have in fact ordered copies of the same articles. (Presumably every other nonprofit library in the country can engage in the same never-ending, one-at-a time reproduction.)

(iii) The works alleged in Counts III, IV, V, and VI of the Court of Claims Petition were all copied from the same issue of the same periodical for the same user on the same day (Pl. Ex. 11-A, pp. 2, 3).

These examples can be supplemented to demonstrate that the concept of a single copy limitation in library photocopying is an illusion.

(3) The majority talks about library photocopying practices (Pet. App. 17–19) but in so doing it emphasizes ambiguous practices in eras before modern photocopying was developed. The majority concedes that "the proliferation of inexpensive and improved copying machines, less than two decades ago led to the surge in such duplication" (Pet. App. 18); that early library photocopying was "not of course to the extent of the modern development" (Pet. App. 17); and that there have been "considerable changes in the ease and extent of such reproduction" (Pet. App. 18). In the same vein, the majority points to alleged practices of the Library of Congress in 1909, largely ignoring the practices of the Library in effect "currently, and for some time," (Pet. App. 17, n. 16) under which the Library ordinarily will not photocopy copyrighted material without the authorization of the copyright owner. The latter were introduced into evidence (F-44, Pet. App. 103); the former were not. In any event, the irrelevance of earlier practices was underlined by the concession of the Government below that in 1958 "there was virtually no photocopying as presently practiced . . ." (Defendant's Brief in Court of Claims at 46).

It is equally clear that modern photocopying has not been "carried on with apparent general acceptance." Neither petitioner (F-41(c), Pet. App. 98) nor authors and publishers in general have ever acquiesced in the photocopying (*e.g.*, Tr. 433). In any event, recent photocopying has always operated under a cloud. This was, as pointed out at p. 10, *supra*, recognized by the NLM director, who stated that the issue would have to be resolved by the courts (F-43(a), Pet. App. 101.)[20]

The legislative history of the National Library of Medicine Act, 42 U.S.C. Section 275 and the Medical Library Assistance Act of 1965, 42 U.S.C. Section 280b-1 et seq. sheds no light on this subject. Indeed, in connection with these statutes, the Register of Copyrights noted in 1965 that they were not "in any way in derogation of the rights granted under the Copyright Law to the proprietor of the copyright." (Finding 43(a), Pet. App. 102.) An indication of what those rights were assumed to be can be gained from the unsuccessful effort of the Department of Health, Education and Welfare in the same year to secure express sanction for the acts complained of in this action. Hearings on H.R. 4347 and other bills before Subcomm. No. 3 of the House Judiciary Comm., 89th Congress, 1st Sess. 1133 (1965).

---

[20] No help can be gained from the so-called "gentleman's agreement". (F-41, Pet. App. 95–96) This document was written in the 1930's when "photocopying" required darkroom facilities or other delays and expenses involved with photostats and the like; the wet and/or odoriferous processes that followed also bore little resemblance to the rapid and convenient manner of producing photocopies today—for the first time at prices cheaper than printing. In any event, the "gentleman's agreement" seems to resemble "the emperor's new clothes". It speaks simply of making a photocopy "of a part" of a copyrighted work, but does not define the word "part", as the majority assumes, so as to permit the photocopying of an entire journal article. Little thought was given to periodicals, a fact undoubtedly explained by the absence of periodical publishers from the groups identified with the "gentleman's agreement." Finally, the "gentleman's agreement" speaks in terms of an "exemption from liability" and states that "legally, no individual or institution can reproduce by photography or photomechanical means, mimeograph or other methods of reproduction, a page or any part of a book without the written permission of the owner of the copyright".

Indeed, more recent Congressional action and inaction discussed by the majority (Pet. App. 23–27) in no way supports its conclusion. The majority argues that Congress had not been explicit in extending Section 1 protection to photocopying (Pet. App. 23). What really has happened, however, is that §1 rights, as a matter of language and common sense, fit reproduction through photocopying, and Congress has simply declined thus far to grant a special exemption to libraries for this kind of activity.

The situation is thus parallel to that examined in *Jerome H. Remick & Co. v. American Automobile Accessories Co.*, 5 F.2d 411, 412 (6th Cir.), *cert. denied*, 269 U.S. 556 (1925), which held radio broadcasting a public performance for profit. The court there stated:

> "Bills have been introduced in both House and Senate to permit broadcasting without infringing copyrights. The rights of composer, producer, performer, and the public under the new method of reproduction are eminently matters for considered legislation; but, until Congress shall have specifically determined the relative rights of the parties, we can but decide whether and to what extent statutes covering the subject-matter generally, but enacted without anticipation of such radical changes in the method of reproduction, are, fairly construed, applicable to the new situation."

(4) The majority's reliance on what foreign legislatures have chosen to do is misplaced. That discussion merely serves to demonstrate the following: (a) When a special exemption from normal liability of the copyright law is desired, a statute is required. (b) The United States statutory law is markedly different from foreign statutory law in a number of other matters even more central to the question of copyright, *e.g.*, formalities such as notice and registration, renewal and manufacturing clause. See 17 U.S.C. Sections 10, 13, 16, and 24. (c) The majority is even in error when it suggests that the photocopying activities of NLM and NIH would, in fact, be sanctioned by the statutes cited in its opinion (Pet. App. 27). To demonstrate this in

detail would merely illustrate how far afield is the use of foreign statutes in attempting to apply the provisions of our statute. But even the first statute cited, that of the United Kingdom, would not apply because it permits no more than a single article from a journal to be copied and requires the person requesting the copy to pay the cost. *See* United Kingdom Copyright Statute of 1956, 4 & 5 Eliz. 2 c. 74, §7 ((d) and (e)). Indeed, the courts of foreign countries give every indication of construing these special exemptions strictly against libraries. See *Masson & Cie, et al. v. Le Centre National de La Recherche Scientifique* (Le Tribunal de Grande Instance de Paris, January 28, 1974); *Moorhouse et ano. v. University of New South Wales*, 624 Austl. 1 (Supreme Court of New South Wales, Equity Division, No. 2505 of 1973, May 24, 1974). These cases show that petitioner is not alone in seeking judicial enforcement of its rights and that its colleagues even in countries with legislative exemptions for libraries have secured relief.

In any event, there is no special legislative library exemption in the United States covering this case.

C. The Majority's "Solid Doubt" That "Copy" Means "Copy".

It would not ordinarily be necessary to point out that a "Xerox copy" or other "photocopy" produced by a standard office "copier" is indeed a "copy" within the meaning of Section 1(a) of the Copyright Law. It would seem equally clear that a photocopy produces a "print," just as a photograph does.

The majority below concedes that "photoduplication necessarily involves 'copying' (* * * in dictionary terms)" (Pet. App. 8). But it goes on to argue that to apply the dictionary is to be engaged in a "ministerial lexicographic task." It argues further that:

> "Read with blinders, this language [Section 1(a)] might seem on its surface to be all-comprehensive—especially the term 'copy'—but we are convinced, for several reasons, that

'copy' is not to be taken in its full literal sweep." (Pet. App. 8)

The reasons offered are so ill-founded as to suggest an inordinate need on the part of the majority to buttress with makeweights the "fair use" analysis on which its decision is principally based. It is submitted that to apply plain meaning to ordinary words such as "copy" or "print" is not to read them with blinders;" on the contrary, it is to read them with common sense.[31]

The majority's arguments that not all copying is unlawful or that some unlawful copying goes unprosecuted do not mean that copying has not taken place. If words are to have any meaning, copies were made by the Government in this case. Even under the restrictive approach taken by this Court in another context in *White-Smith Music Co.* v. *Apollo Co.*, 209 U.S. 1 (1908) the Court referred to "the common understanding of [a copy] as a reproduction or duplication of a thing." *Id.* at 17. Regardless of whether or not copying is excused by any number of defenses—such as statute of limitations, absence of copyright notice, or fair use —the "reproduction or duplication" of articles in this case results in "copying."

Equally far-fetched is the notion suggested by some of the Government's *amici* below that legislative history requires the word "copy" to be read out of the statute as pertaining to all books and periodicals. The majority confesses that it is "not ready to accept fully" this proposition, but finds that it provides a "solid doubt" which "must be taken into account" (Pet. App. 9) and produces a "grave uncertainty" which supports its result. (Pet. App. 23.)

Accordingly, one further comment may be warranted. The House Patent Committee in reporting on the 1909 Act notes

[31] The present case involves none of the difficult problems posed in Fortnightly Corp. v. United Artists Television, 392 U.S. 390 (1968) and Teleprompter Corp. v. CBS, Inc. 415 U.S. 394 (1974). In those cases the Court was asked to define the statutory term "perform" more broadly than its conventional meaning, see 392 U.S. at 395, so as to encompass cable television. Here, even the majority below concedes that the ordinary meaning of "copying" covers photocopying.

that language from earlier statutes (which covered printing, publishing, etc.) was adopted in Section 1(a) and that "this, *with the insertion of the word 'copy'* practically adopts the phraseology of the first copyright act Congress ever passed . . ." H.R. Rep. No. 2222, 60th Cong., 2d Sess. 4 (1909). [Emphasis added.] How this specific mention of the addition of the word "copy" creates any "doubt" or "uncertainty" is beyond the imagination. A later reference in the House Report to preserving the old phraseology means, of course, keeping the old language aside from the word "copy" being inserted.

Photoduplication is not only copying, it is printing and reprinting as well. Printing, for copyright purposes, has long been considered to include mimeographing and even typewriting. See *Macmillan v. King*, 223 Fed. 862 (D. Mass. 1914). As stated by the Trial Judge, " 'printing' and 'reprinting' " connote making a duplicate original, whether by printing press or a more modern method of duplication." (A 38–39.)

These generalizations have particular application to this case. For example, the Government's microfilming, followed by duplication through use of a Xerox Copyflo attachment, has been described as follows:

> "The Xerox Copyflo machines can be regarded as plateless printing presses. . . . For example, it is quite feasible to print a single copy or several copies of an entire book either directly from an existing copy or from microfilm" SCHAFFERT, ELECTROPHOTOGRAPHY. 144 (The Focal Press 1965)

As demonstrated throughout the trial record, users of petitioner's journals utilize photocopies in precisely the same way they use reprints and keep them permanently in files of reprints (*e.g.* Tr. 1359).

The exclusive right of "printing" was first granted in 1790, in the first copyright statute enacted by Congress, 1 Stat. 124, and has been in the law ever since. The fact that current modes of xerography were unknown then—or in 1909 when the term was reincorporated into the current statute—is of no signifi-

cance.[21] As stated in *Jerome H. Remick & Co. v. American Automobile Accessories Co.*, *supra*, 5 F.2d at 411:

> "[T]he statute may be applied to new situations not anticipated by Congress, if, fairly construed, such situations come within its intent and meaning . . . While statutes should not be stretched to apply to new situations not fairly within their scope, they should not be so narrowly construed as to permit their evasion because of changing habits due to new inventions and discoveries."

This eminently proper application of Congressional intent is reflected in numerous copyright decisions. See, *e.g.*, *Kalem Co. v. Harper Bros.*, 222 U.S. 55 (1911); *Tiffany Productions, Inc. v. Dewing*, 50 F.2d 911 (D. Md. 1931); *Edison v. Lubin*, 122 Fed. 240 (3d Cir. 1903). *Cf. L.C. Page & Co. v. Fox Film Corp.*, 83 F.2d 196 (2d Cir. 1936).

The majority's departure from almost every principle of copyright law is also reflected in its discussion of petitioner's exclusive right to "publish" under §1(a) of the Copyright Act. (Pet. App. 11.) One thing is universally agreed upon regarding the definition of this term, or of "publication", as used in this statute: it means different things in different places in the statute. Accordingly, the majority below is incorrect in its assumption that the term publication "would seem to have about the same coverage" in different contexts. (*Id.*)

A touchstone to the proper construction of the concept was furnished in *American Visuals Corp.* v. *Holland*, 239 F.2d 740, 744 (2d Cir. 1956). After reviewing judicial construction of the term "publication" (as the act under section 10 of the statute which can either secure statutory protection or divest common law literary property rights), Judge Frank noted that "[i]n each

[21] Indeed the development of xerography is akin to the development of photo-offset as a form of "printing" *i.e.*, producing entire written pages. This produced more of a change in a business medium (similar to marketing books through paperback editions or book clubs) than the more extreme development of an entirely new medium such as radio or motion pictures.

case the courts appear so to treat the concept of 'publication' as to prevent piracy."

Applying this guide to the present situation, the Government's making photocopies available to all users who want them is clearly infringement of petitioner's exclusive right to "publish". *Cf. Macmillan v. King*, 223 Fed. 862 (D. Mass. 1914); *National Geographic Socy. v. Classified Geographic, Inc.*, 27 F. Supp. 655 (D. Mass. 1939).

Thus the Government's operation of its photoduplication system amounts to the copying, printing, reprinting and publishing of petitioner's copyrighted journal articles. As a result, petitioner has established a *prima facie* case of infringement of its rights under §1(a). The Government is accordingly liable unless it has established that such *prima facie* infringement should be excused as "fair use." We submit that analysis of this question above amply demonstrates that the Government has not sustained its burden of proving this defense.

CONCLUSION

Petitioner asks this Court to direct an award of reasonable compensation to be paid by the Government for its use of petitioner's property. Accordingly, the judgment of the Court of Claims should be reversed and the case remanded for a determination of such compensation.

Respectfully submitted,
ALAN LATMAN
Attorney for Petitioner

Of Counsel:
ARTHUR J. GREENBAUM
MARTIN F. RICHMAN
CAROL FAYE SIMKIN
COWAN, LIEBOWITZ & LATMAN, P.C.